



Michigan Health Care Exchange Core Principles

- 1) The Michigan Exchange should be a **Market Organizer**, operating as a clearinghouse for individuals and small businesses who would like to consider exchange health care products.
- 2) The Michigan Exchange should have separate risk pools for individuals and small businesses to manage the unique risk and demographic characteristics of each population.
- 3) Independent licensed insurance agents should be authorized to sell and service both the individual and small groups. Agents should be compensated for selling and servicing exchange products.
- 4) The state exchange should not become the exclusive health insurance distribution channel for individuals and small businesses. Existing health insurance market distribution channels must continue to operate regardless of the exchange.
- 5) State exchanges must be self-sufficient (or sustaining) by 2015. The Michigan Exchange must ensure that the cost to be self-sufficient does not impact the affordability of exchange products.



MICHIGAN BUSINESS & PROFESSIONAL ASSOCIATION
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Recommendations for Michigan's Healthcare Exchange

<u>Exchange Attribute</u>	<u>Recommendation</u>	<u>Logic</u>
Public/Non-profit	Private-established by the State	This allows OFIR/DCH complete control for initial launch. State may decide to subcontract certain exchange services.
Voluntary/Non	Voluntary	Based on Utah Model-Keep it simple and easy to understand. Massachusetts struggled with mandated coverage and high administrative costs.
Governance	Executive Director/Board, business community, health care community and state government.	Massachusetts model, Michigan is not set up properly for provider collaboration only model. Board composition should include: consumers, employers, healthcare industry (providers, insurers, OFIR, DCH).
Fees	Transparent to consumer	To keep exchange running effectively
Number of Exchanges	Two	Two Michigan based Exchanges(nothing out of state)
Types of Exchanges	Individual/Group	To ensure appropriate rating of risk to represent the individual/group products within the Exchanges.
Use of Agents/Brokers	Recommended	Given our feedback from members and their reliance on their agent, level of expertise, and questions, we recommend the agent be authorized.

Public Communication	Via web portal and customer service. It is important to provide aide for those who are not computer savvy. Also important to provide a resource for those that have questions via navigators and non-profit organization educators.	The Exchange should serve as the supplier of health insured products for individuals and small groups via web portal or call center. Navigators would provide individual and small groups with guidance and education such as public education and enrollment education. Navigators could include professional and trade associations, small business development centers, and others.
Personal Medical Information	Through State	All healthcare questions, procedures, administrative duties, and fees are completed directly through and sent to the State of Michigan via DCH.
Grant Committee	Yes	Grant Funds to be allocated for certain expenses needed to run the exchange such as technology needs, education grants, marketing materials, staffing, etc. Also revenue dedicated to Navigator role for marketing and education to individual and small groups.
Member/Public Education/Training	Yes	Educational material, training, workshops, and resources will be needed for both individuals and businesses through community groups and professional and trade organizations. This could also be the function of a navigator via educational grants.